

## Message Text

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21

ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15

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FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC IMMEDIATE 1802

INFO AMEMBASSY BLANTYRE

AMEMBASSY DAR ES SALAAM

AMEMBASSY GABORONE

AMEMBASSY LONDON

AMEMBASSY KINSHASA

AMEMBASSY PRETORIA

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PASS IBS/PA AS IMMEDIATE

EO 11652: N/A

TAGS: PGOV, PINT, ECON, ZA

SUBJECT: PRESIDENT KAUNDA CALLS FOR TIGHTER DISCIPLINE, SWEEPING  
SOCIAL AND ECONOMIC REFORMS

1. SUMMARY: IN WHAT WAS BILLED AS LANDMARK SPEECH,  
PRESIDENT KAUNDA ANNOUNCED JUNE 30, IN COURSE OF 7-HOUR  
SPEECH, THAT "WATERSHED" OF ZAMBIAN REVOLUTION HAS BEEN  
REACHED. HENCEFORTH, SUPREMACY OF PARTY OVER ALL  
INSTITUTIONS WILL BE ENFORCED AND PARTY POLICIES MUST BE  
TRANSLATED INTO MEANINGFUL ACTION. PRESIDENT OUTLINED  
PENALTIES FOR THOSE FAILING TO COMPLY WITH LEADERSHIP  
CODE, CALLED FOR REVISION OF LEGISLATION BASED ON COMMON  
LAW, AND DEMANDED TIGHTER DISCIPLINARY MEASURES OVER  
PARLIAMENTARIANS, DISTRICT GOVERNORS, REGIONAL PARTY LEADERS,  
AND LOCAL AUTHORITY OFFICIALS. PRESS, FILMS AND BROADCASTING  
MEDIA ARE TO HEW TO PARTY LINE ON POLITICAL AND CULTURAL ISSUES.  
ON ECONOMIC SIDE, GOVT. SUBSIDIES TO PARASTATALS WILL BE  
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CUT BY UP TO SIXTY PERCENT, REDUNDANT WORKERS AND URBAN

UNEMPLOYED RESETTLED IN RURAL AREAS, NON-ESSENTIAL IMPORTS CUT BACK DRASTICALLY, SALE AND MANUFACTURE OF TOBACCO TO BECOME STATE MONOPOLY. PRIVATE ENTREPRENEURS WARNED THAT TREND IS IRREVERSABLY TOWARD SOCIALISM BUT FOREIGN INVESTORS GIVEN ASSURANCES THEY STILL ARE WELCOME. SWEEPING LAND REFORM MEASURES ANNOUNCED TO CURTAIL PRIVATE OWNERSHIP AND RISING URBAN LAND PRICES AND RENTALS. REFORM OF PARASTATALS AND MOVES TO DECENTRALIZED CERTAIN RESPONSIBILITIES TO LOCAL AUTHORITIES ALSO SLATED. END SUMMARY.

2. PRESIDENT KAUNDA OUTLINED TO 6TH SESSION OF NATIONAL COUNCIL OF RULING UNITED NATIONAL INDEPENDENCE PARTY SWEEPING PROGRAM OF SOCIAL AND ECONOMIC REFORMS DESIGNED TO MOVE ZAMBIA FURTHER ALONG SOCIALIST PATH TOWARD "HUMANIST SOCIETY." SPEAKING AT TIMES WITH HUMOR AND AT OTHER WITH CONSIDERABLE EMOTION, EVEN ANGER, PRESIDENT STRESSED MEASURES INTENDED TO COMBAT INDISCIPLINE, CORRUPTION, EXPLOITATION, AND PERMISSIVENESS WHICH HAVE UNDERMINED IMPLEMENTATION OF PAST NATIONAL COUNCIL RESOLUTIONS AND FRUSTRATED TRANSFORMATION FROM CAPITALIST TO SOCIALIST SOCIETY. SPEECH ENTIRELY DEVOTED TO DOMESTIC MATTERS AND FOREIGN POLICY ISSUES WERE NOT DISCUSSED.

3. PARTY SUPREMACY. UNIP SUPREME OVER ALL INSTITUTIONS AND 1973 CONSTITUTION TO BE AMENDED TO REFLECT THAT FACT. PARTY HAS PROVIDED PHILOSOPHY OF HUMANISM AND DEFINED ITS PRINCIPLES AND POLICIES. PLACE TO DEBATE THESE POLICIES IS IN NATIONAL COUNCIL. ONCE COUNCIL HAS DECIDED, IT NOT FOR MEMBERS OF PARLIAMENT OR PRESS TO QUESTION AND ATTACK THESE DECISIONS.

4. LEADERSHIP CODE. IMPLEMENTATION HAS BEEN ON TRIAL AND ERROR BASIS. RESPONSE FROM CENTRAL COMMITTEE, CABINET, AND MINISTERS OF STATE HAS BEEN EXCELLENT BUT LESS SATISFACTORY FROM CIVIL SERVANTS. LATTER WHO HAVE NOT YET COMPLIED WITH CODE BY DECLARING THEIR ASSETS WILL NOW BE DOCKED ONE MONTH'S SALARY TO BE COLLECTED BY PARTY AND USED FOR SUPPORT SOCIAL WELFARE INSTITUTIONS. PEOPLE URGED TO REPORT FUTURE VIOLATIONS BY THOSE SUBJECT TO CODE WHICH HENCEFORTH WILL BE "CONTINUOUS WAY OF LIFE." LOOPHOLES WILL BE CLOSED, BEGINNING BY AMENDING CODE TO COVER PROPERTY OF SPOUSES OF UNCLASSIFIED

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LEADERS.

5. LEGAL REFORM. NEED TO UNSHACKLE ZAMBIA FROM CAPITALIST BRITISH COMMON LAW, FOREIGN LEGAL SYSTEM WHICH PROTECTS PRIMARILY INTERESTS OF EXPATRIATE BUSINESS COMMUNITY "AND SOME DUBIOUS OR INNOCENT ZAMBIANS." LEGAL SYSTEM MUST BE "REVOLUTIONALIZED" TO MAKE IT MORE JUST. ALL INSTITUTIONS WILL BE REVIEWED AND "NEGATIVE" ASPECTS IDENTIFIED FOR

CORRECTION.

6. POLITICAL DISCIPLINE. PARLIAMENTARIANS RAPPED FOR USING PARLIAMENTARY PRIVILEGE TO MALIGN PARTY OFFICIALS AND MINISTERS AND OPPOSE PARTY POLICIES. WHILE NOT WISHING TO MUZZLE CONSTRUCTIVE CRITICISM, PRESIDENT SAID SPEAKER OF PARLIAMENT HAS BEEN INSTRUCTED DISCIPLINE MP'S WHO VIOLATE PARTY AS WELL AS HOUSE RULES. SAME APPLIES TO MUNICIPAL AND TOWNSHIP COUNCILORS. DISTRICT GOVERNORS AND PARTY REGIONAL OFFICIALS HAVE ALSO TO CEASE MAKING IRRESPONSIBLE PRESS STATEMENTS, ESPECIALLY UNAUTHORIZED STATEMENTS ON DEFENSE OR SECURITY MATTERS. LAZINESS, DRUNKENNESS, AND CORRUPTION WILL BE PUNISHED BY DISMISSAL. "SUPREMACY OF THE PARTY DOES NOT MEAN SUPREMACY OF PEOPLE WHO SERVE IN THE PARTY."

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7. PRESS AND MEDIA. TIMES OF ZAMBIA. ZAMBIA'S INDEPENDENT DAILY HAS BEHAVED IRRESPONSIBLY AND IS TO COME UNDER PARTY OWNERSHIP. ALL CINEMAS WILL BE NATIONALIZED AND RUN

AS REVENUE-MAKERS BY LOCAL AUTHORITIES. ALL MEDIA WILL HAVE TO FOLLOW PARTY LINES MORE CLOSELY AND PROMOTE ONLY HUMANISM. CRITICISM OF PARTY CAMPAIGNS AGAINST FILM SEX AND VIOLENCE AND OF MOVES TO INCREASE USE OF LOCAL MUSIC AND MATERIAL ON RADIO AND TELEVISION MUST STOP.

8. INDUSTRY. HEAVY SUBSIDIES NOW PAID TO UNPROFITABLE PARASTATAL COMPANIES WILL BE CUT BY AS MUCH AS SIXTY PERCENT. MONEY SAVED TO GO INTO PROGRAMS TO INCREASE DOMESTIC AGRICULTURE AND COMMODITY CROPS. WORKERS MADE REDUNDANT BY THIS ACTION AS WELL AS URBAN UNEMPLOYED TO BE RESETTLED IN RURAL AREAS. STUDENTS WILL BE DRAFTED INTO ZAMBIAN NATIONAL SERVICE (ZNS) TO PROVIDE TECHNICAL SUPPORT FOR RESETTLEMENT EFFORT. EVERY REGION WILL BE OBLIGED TO GROW ONE CASH CROP AND TARGETS WILL BE SET. IN ADDITION,  
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IMPORTS ESPECIALLY OF NON-ESSENTIAL AND LUXURY GOODS TO BE CUT DRASTICALLY. RATIONING MAY BE INTRODUCED FOR ITEMS LIKE SUGAR UNTIL LOCAL PRODUCTION CAN BE EXPANDED TO MEET DEMAND. ZNS TO TAKE OVER PRODUCTION OF SCHOOL UNIFORMS NATION-WIDE AND HELP FARMERS INCREASE PRODUCTION OF VEGETABLES TO KEEP FOOD PRICES DOWN. TOBACCO BOARD OF ZAMBIA WILL TAKE OVER PRIVATELY OWNED CIGARETTE FACTORY AND BECOME SOLE PRODUCER AND IMPORTER OF TOBACCO PRODUCTS AND MACHINERY IN ZAMBIA.

9. PRIVATE ENTERPRISE. PRESIDENT ACKNOWLEDGED HIS MAY 27 REMARKS ABOUT ENDING PRIVATE ENTERPRISE HAD DEPRESSING EFFECT ON BUSINESS COMMUNITY. HOWEVER, THE DECISION IS CAST AND BUSINESSMEN MUST REALIZE PARTY IS SERIOUS ABOUT ACHIEVING SOCIALIST STATE. THIS CANNOT BE ACHIEVED OVERNIGHT, HOWEVER, SO ZAMBIA MUST CONTINUE "SUFFER" SOME DEGREE OF CAPITALISM. DOMESTIC CAPITALISTS HAVE CHANCE HELP DETERMINE HOW TO REORGANIZE THEIR BUSINESSES, E.G. SALE TO STATE, ESTABLISH COOPERATIVES, OR EFFECT WORKER PARTICIPATION. PROFITS CAN CONTINUE TO BE EXPORTED AT AGREED INTERVALS BUT SEVERE PENALTIES WILL BE ASSESSED FOR ILLEGAL CURRENCY EXPORT OR FOR CASH KEPT IN SAFES AND NOT BANKED. SAME GOES FOR HOARDERS.

10. FOREIGN INVESTMENT. PRESIDENT SOUGHT REASSURE FOREIGN CAPITALISTS. "SOME ARE FRIENDS." THEY ARE WELCOME INVEST IN JOINT VENTURES WITH GRZ IN AREAS WHICH MEET ZAMBIAN NEEDS. STRESSED GRZ HAS ALWAYS DEALT HONESTLY AND HAS PAID FAIR COMPENSATION TO INVESTORS WITH "PROOF OF INVESTMENT." ZAMBIA INTENDS KEEP ITS NAME CLEAN THIS WAY.

11. LAND REFORM. PRESIDENT ABOLISHED ALL FREEHOLD PROPERTY, BOTH URBAN AND RURAL, AS OF MIDNIGHT JULY 1, 1975. EXISTING FREEHOLDS WILL BE CONVERTED TO 100-YEAR LEASEHOLDS. UNUTILIZED

OR VACANT RURAL AND URBAN LAND TO BE TAKEN OVER BY STATE. URBAN LAND SPECULATION TO BE SEVERELY DISCOURAGED. REAL ESTATE AGENCIES ABOLISHED AS OF NOW, AND THEIR PROPERTY TO BE TAKEN OVER BY LOCAL AUTHORITIES. RESTRICTIONS PLACED ON BUILDING LOANS FROM PARASTATAL ZAMBIA NATIONA BUILDING SOCIETY. RENTAL FLATS OWNED BY NON-ZAMBIANS WILL BE TAKEN OVER, AS WILL RENTAL PROPERTY OWNED BY MP'S AND PARTY OFFICIALS. CONTROLS ON UNAUTHORIZED BUILDING AND ON FAIR ALLOCATION OF PUBLIC HOUSING TO BE DILIGENTLY ENFORCED.  
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12. SOCIAL REFORM. NURSING HOMES TO BE NATIONALIZED AND STEPS TAKEN TO RE-INVESTIGATE ALLEGED OVERCHARGING BY PRIVATE DOCTORS AND PHARMACIES. EXPATRIATE DOCTORS AND OTHER PROFESSIONALS ON GOVERNMENT CONTRACT WILL NO LONGER BE PERMITTED TO ENGAGE IN PRIVATE PRACTICE EVEN AFTER THEIR CONTRACTS TERMINATE.

13. PARASTATALS. THESE HAVE MADE BAD NAMES FOR THEMSELVES BY POOR PERFORMANCE. HENCEFORTH, THERE MUST BE UNIFORM CONDITIONS OF SERVICE FOR BOTH PARASTATALS AND CIVIL SERVICE. THOSE WHO LEAVE PARTY AND GOVT. ON ANY ACCOUNT WILL FIND NO EMPLOYMENT IN PARASTATAL ENTERPRISES.

14. DECENTRALIZATION. ELECTED COUNCILS ARE TO DEAL WITH ADMINISTRATION OF EACH DISTRICT AND LOCAL AUTHORITIES TO ASSUME RESPONSIBILITY FOR HEALTH SERVICES AND PRIMARY SCHOOLS OVER NEXT 18 MONTHS. FUNDS FOR THIS PURPOSE WILL BE MADE AVAILABLE JANUARY 1977.

15. TAZARA. ANNOUNCING COMPLETION OF TRACK LAYING TO ZAMBIAN TERMINUS OF KAPIRI MPOSHI ON JUNE 7, PRESIDENT REQUESTED AND RECEIVED BY ACCLAMATION VOTE OF THANKS TO CHINESE COMMUNIST PARTY, GOVERNMENT, AND PEOPLE FOR THEIR FRIENDSHIP AND CO-OPERATION.

16. EMBASSY COMMENTS ON SPEECH SEPTEL.  
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## Message Attributes

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